

FY 2017-18 Budget Planning Forum

City of Tempe

Municipal Budget Office

February 22, 2017



Budget Process and Financial Status



COMMUNITY engagement



In-person Public Budget Forum



Online Tempe Forum www.tempe.gov/forum



Direct email to Mayor and Council
councilcommunicator@tempe.gov



Public comments during City
Council Meetings

- Long-Range Forecast
- CIP Presentations/Recommendations
- Budget Review Sessions
- Budget Adoption (tentative and final)

BUDGET DEVELOPMENT PUBLIC MEETING DATES



CAPITAL BUDGET

Presentation of Proposed Projects

Public Forum

Present Recommended Projects

Tentative Adoption

Public Hearing / Final Adoption

Feb 16

Feb 22

Mar 16

Apr 27

May 25

Jun 8

OPERATING BUDGET

Updated Long-Range Forecast

Public Forum

Budget Review Session

Tentative Adoption

Public Hearing / Final Adoption

www.tempe.gov/budgetplan

Why Budget?

Manage Limited Resources to meet most important needs

Strategic Planning long and short range

Legally Required spending limits

BUDGET PURPOSES

Establish
annual
spending limits

Authorize
departmental
spending

Serve as
operational
planning
documents

Provide public
notice of
intended use
of taxpayer
funds

Demonstrate
the ability to
balance
revenues and
expenditures



Operating Budget

day-to-day operations
of City departments





Capital Budget

controls annual expenditures to purchase, build, improve or expand the City's infrastructure and capital assets

(A five-year Capital Improvement Plan is also required by City Code)

Fund Structure

Special Revenue/
Special Assessment
Funds

Governmental
(General Fund)

Enterprise Funds

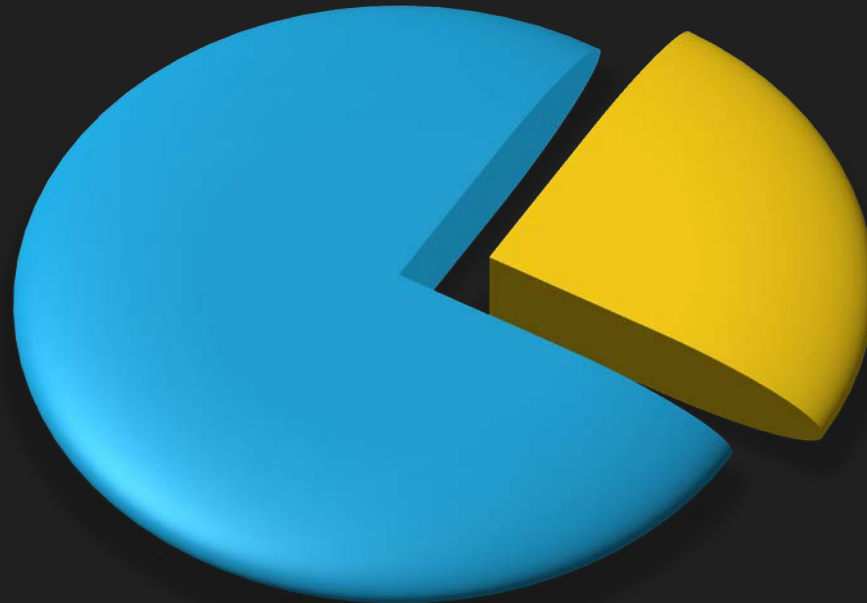
Capital Projects/
Debt Service Funds



Total Financial Program

FY 2016-17 \$586 million

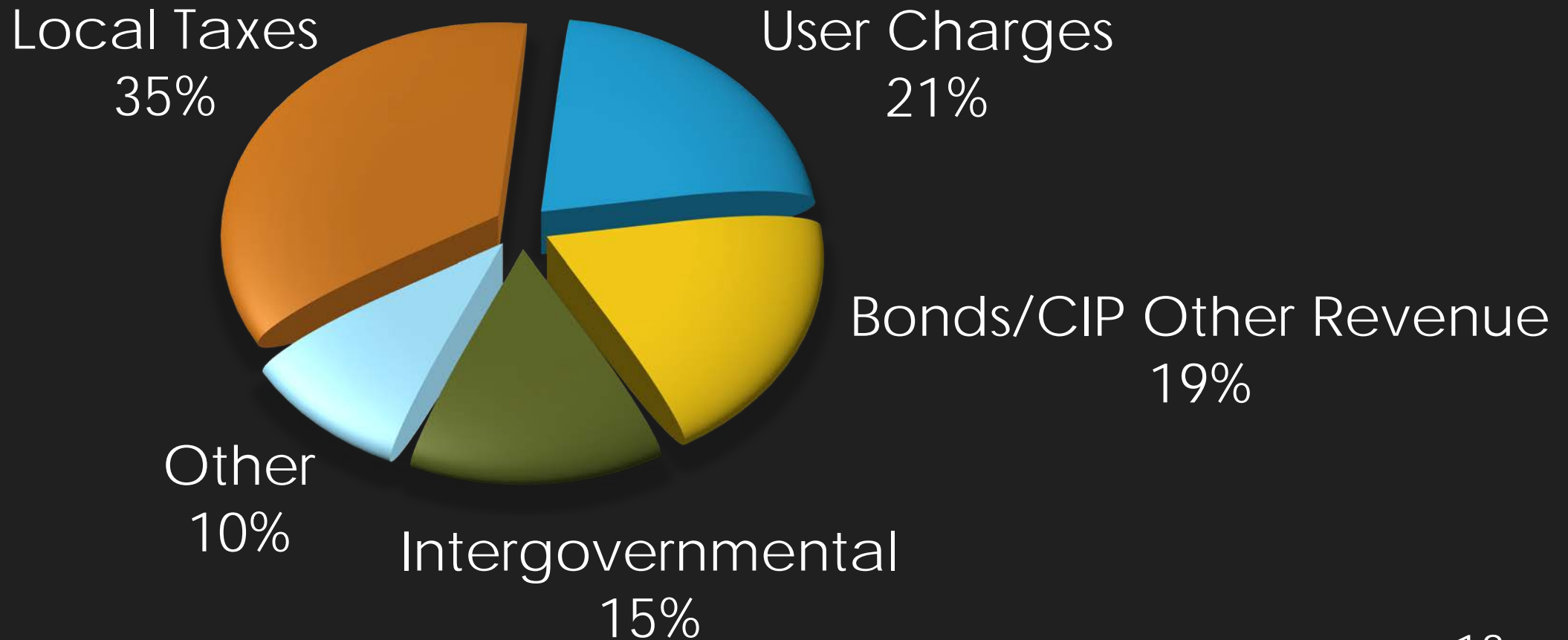
Operating
Budget
\$442m / 76%



Capital
Budget
\$144m / 24%

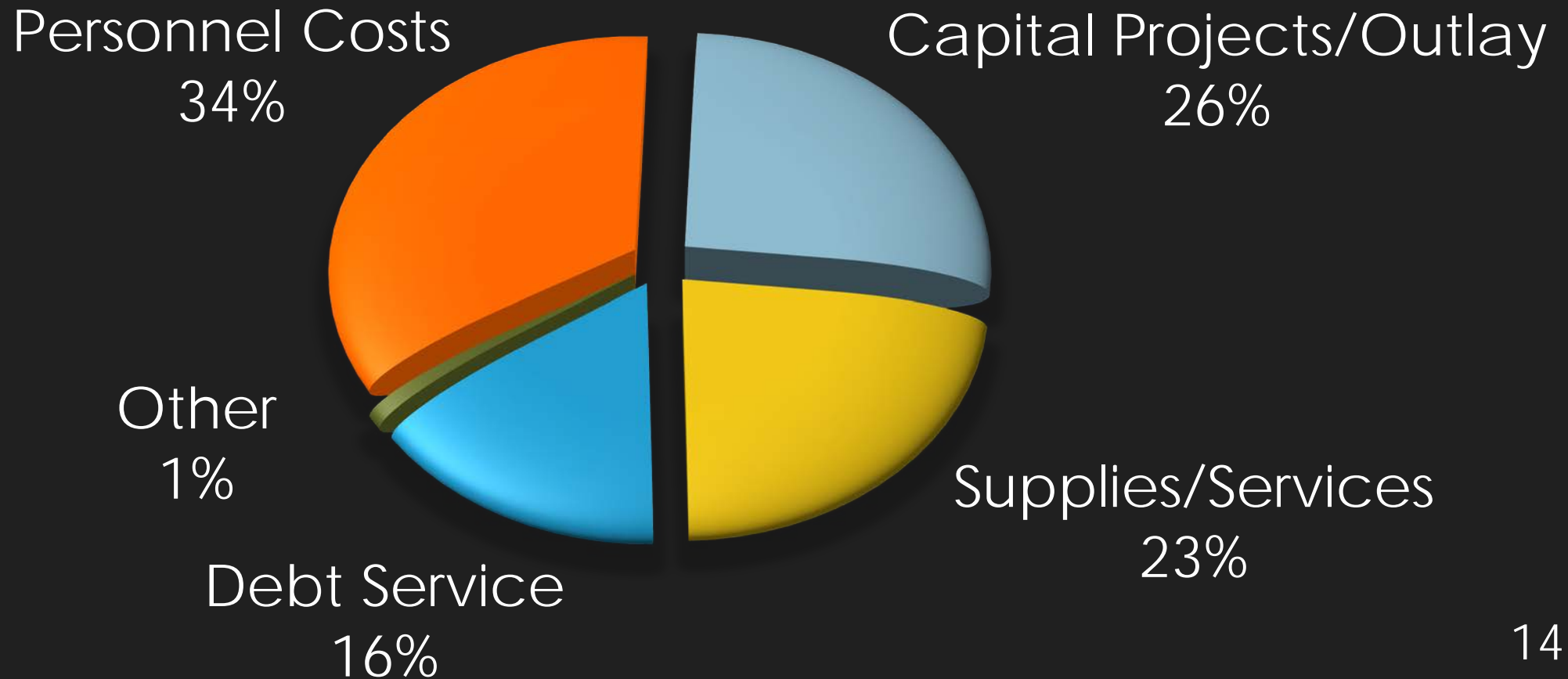
Citywide Sources of Revenue

FY 2016-17



Citywide Uses of Funds

FY 2016-17



Operating Budget Factors



Public/Council
Priorities



Economic
Conditions

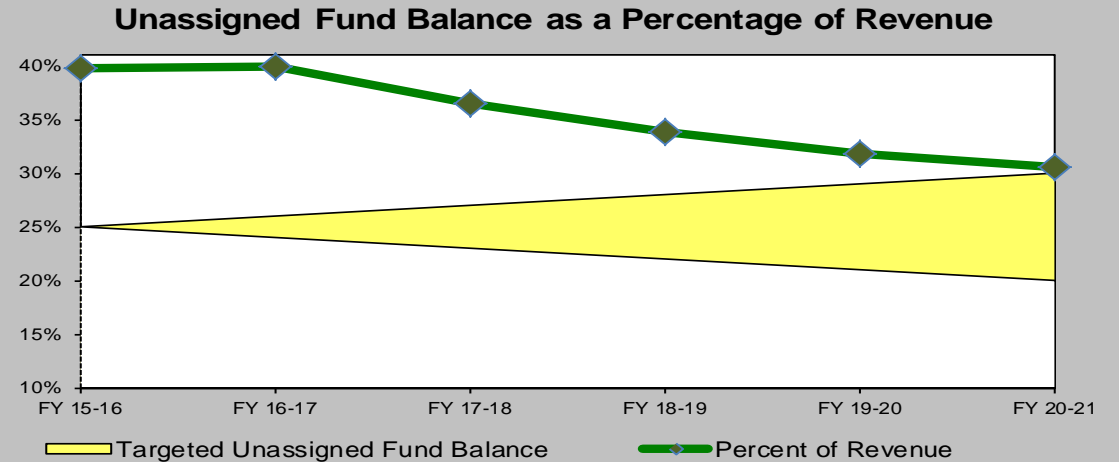
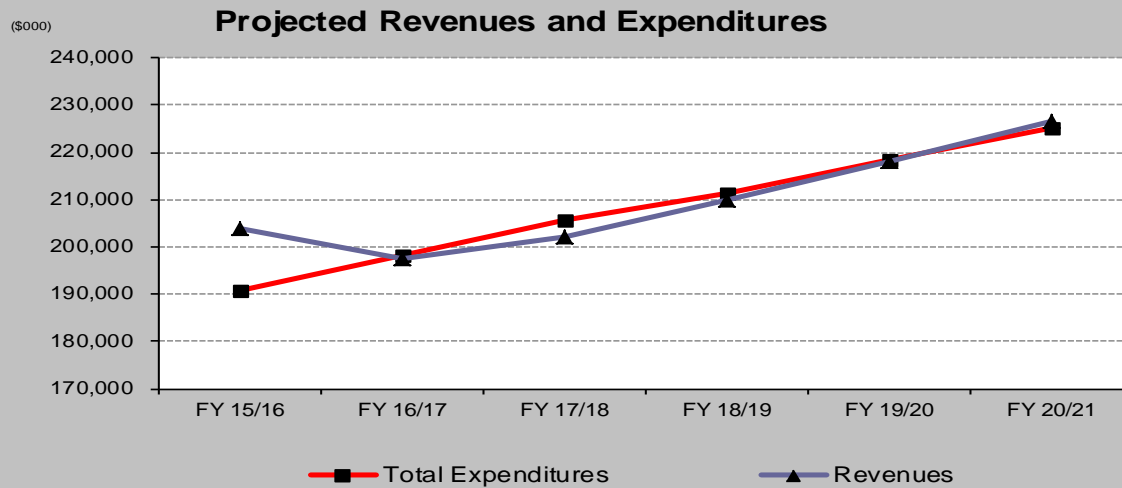


Employee
Compensation



Operational
Needs

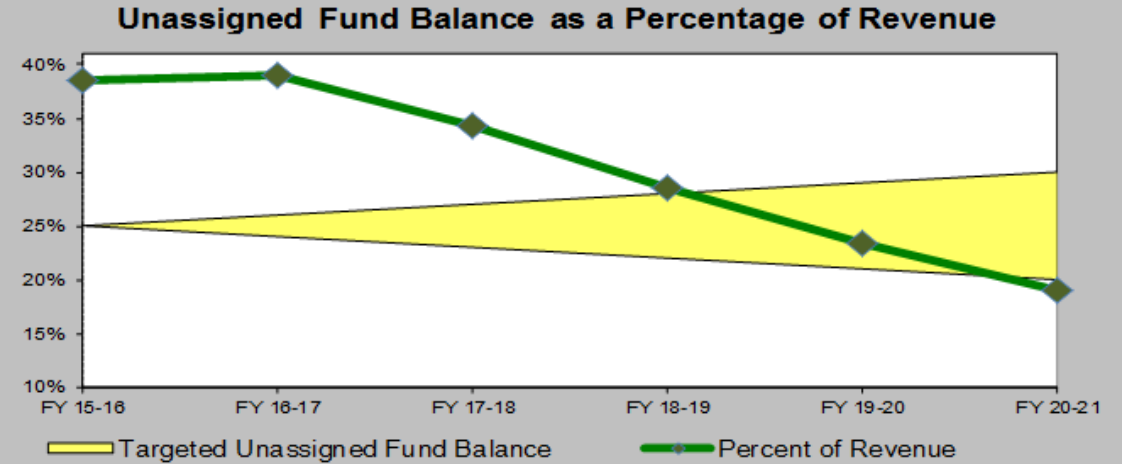
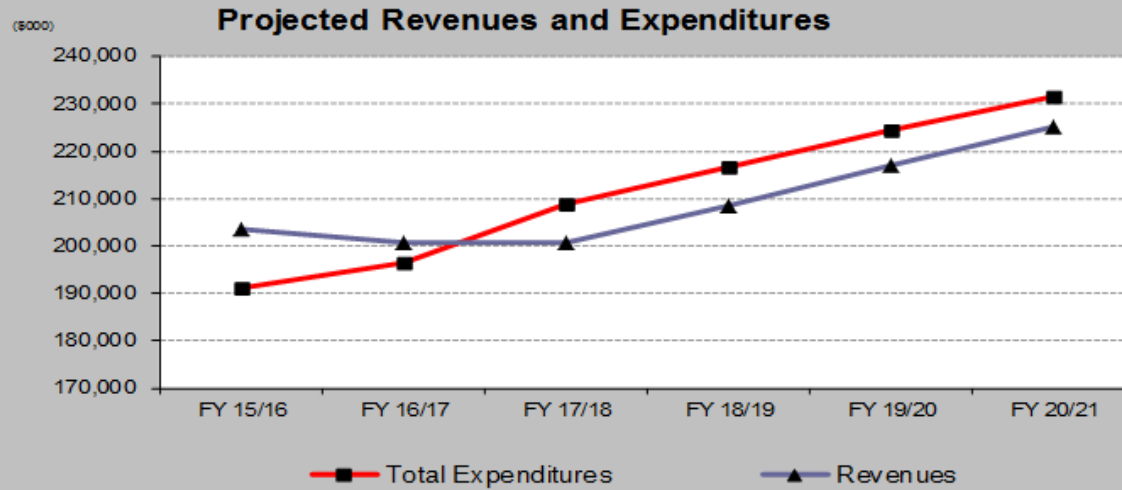
Long-term Approach to Budgeting



Expressed in thousands (\$000)

	FY 15/16 Projected	FY 16/17 Projected	FY 17/18 Projected	FY 18/19 Projected	FY 19/20 Projected	FY 20/21 Projected
Revenues	203,732	197,347	202,080	209,810	218,142	226,570
Total Expenditures	190,893	198,288	205,701	211,285	218,307	225,310
Surplus (Deficit)	12,839	(941)	(3,622)	(1,474)	(165)	1,260
Recurring Personnel Cost Increases		2.83%	1.67%	2.13%	2.20%	2.45%
One-time Personnel Costs (bonus)		0.20%	0.20%	0.20%	0.20%	0.20%
Change in Number of Positions		-	4	-	-	-
Recurring Supplementals			\$2,000	\$2,000	\$2,000	\$2,000
One-time Supplementals		\$0	\$1,500	\$1,500	\$1,500	\$1,500
CIP "PAYGO" % of GF Revenue	1.59%	1.64%	2.00%	2.00%	2.00%	2.00%
Transfers	(3,325)	(1,279)	(1,308)	(1,340)	(1,372)	(1,407)
Unassigned Fund Balance	80,993	78,774	73,844	71,030	69,492	69,345
% of Revenue	40%	40%	37%	34%	32%	31%

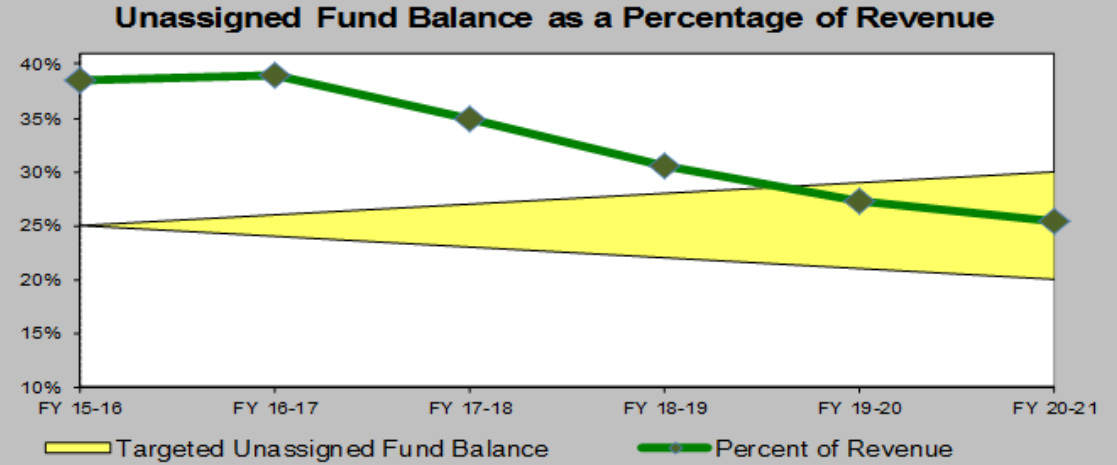
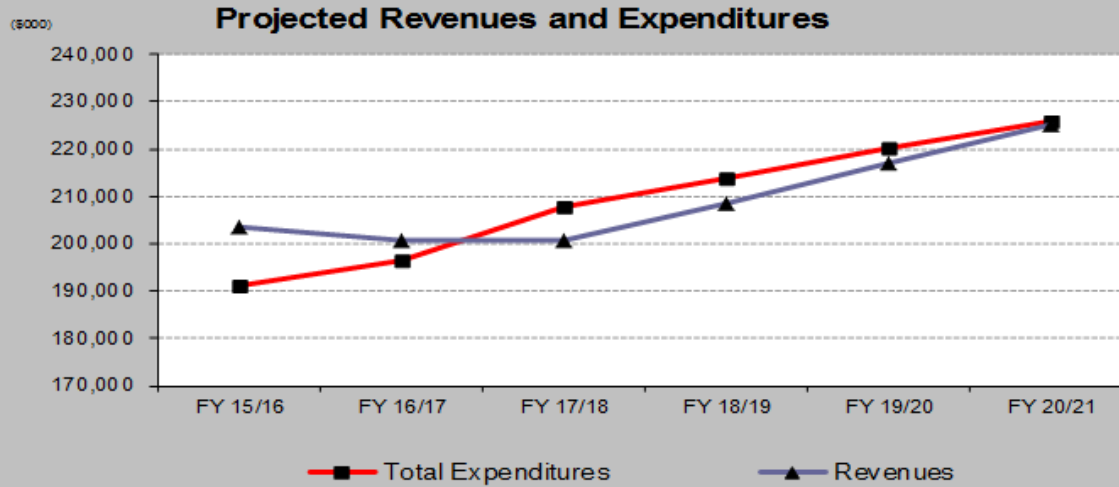
Updated October GF Scenario



Expressed in thousands (\$000)

	FY 15/16 Actual	FY 16/17 Projected	FY 17/18 Projected	FY 18/19 Projected	FY 19/20 Projected	FY 20/21 Projected
Revenues	203,482	200,769	200,833	208,636	217,032	225,118
Total Expenditures	191,123	196,542	208,908	216,817	224,305	231,644
Surplus (Deficit)	12,359	4,226	(8,075)	(8,181)	(7,273)	(6,526)
Recurring Personnel Cost Increases		3.15%	3.98%	3.70%	2.52%	2.79%
One-time Personnel Costs (bonus)		0.20%	0.20%	0.20%	0.20%	0.20%
Change in Number of Positions		-	4	-	-	-
Recurring Supplementals			\$2,000	\$2,000	\$2,000	\$2,000
One-time Supplementals		\$0	\$1,500	\$1,500	\$1,500	\$1,500
CIP "PAYGO" % of GF Revenue	1.59%	1.61%	2.00%	2.00%	2.00%	2.00%
Transfers	(1,844)	(3,879)	(1,308)	(1,340)	(1,372)	(1,407)
Unassigned Fund Balance	78,488	78,321	68,938	59,417	50,772	42,839
% of Revenue	39%	39%	34%	28%	23%	19%

Current GF Scenario



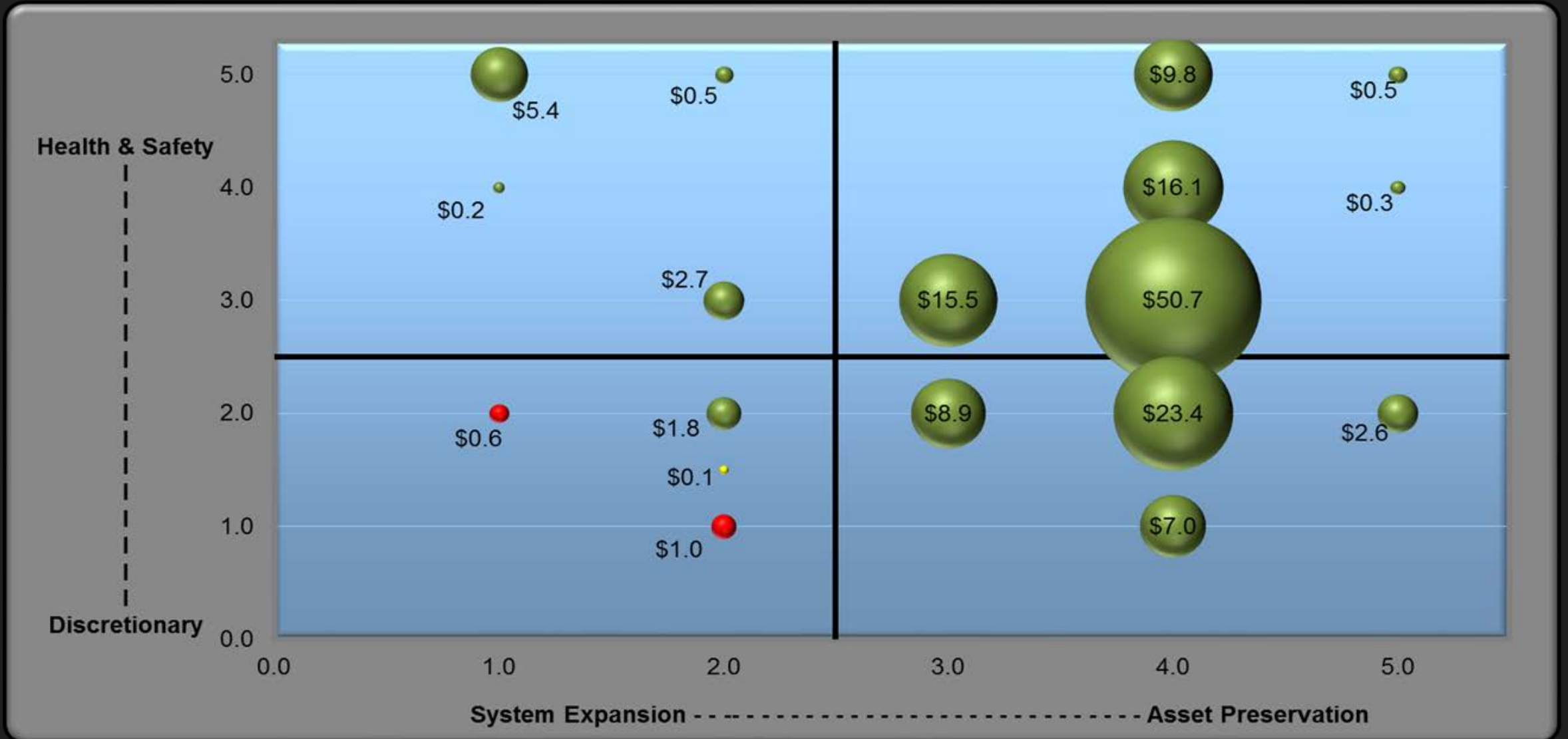
Expressed in thousands (\$000)

	FY 15/16 Actual	FY 16/17 Projected	FY 17/18 Projected	FY 18/19 Projected	FY 19/20 Projected	FY 20/21 Projected
Revenues	203,482	200,769	200,833	208,636	217,032	225,118
Total Expenditures	191,123	196,542	207,788	213,655	220,097	225,892
Surplus (Deficit)	12,359	4,226	(6,955)	(5,019)	(3,065)	(774)
Recurring Personnel Cost Increases		3.15%	3.98%	3.70%	2.52%	2.79%
One-time Personnel Costs (bonus)		0.20%	0.20%	0.20%	0.20%	0.20%
Change in Number of Positions		-	3	-	-	-
Recurring Supplementals			\$2,000	\$1,000	\$1,000	\$1,000
One-time Supplementals		\$0	\$1,500	\$500	\$500	\$0
CIP "PAYGO" % of GF Revenue	1.59%	1.61%	1.50%	1.50%	1.50%	1.50%
Transfers	(1,844)	(3,879)	(1,308)	(1,340)	(1,372)	(1,407)
Unassigned Fund Balance	78,488	78,321	70,058	63,700	59,262	57,082
% of Revenue	39%	39%	35%	31%	27%	25%

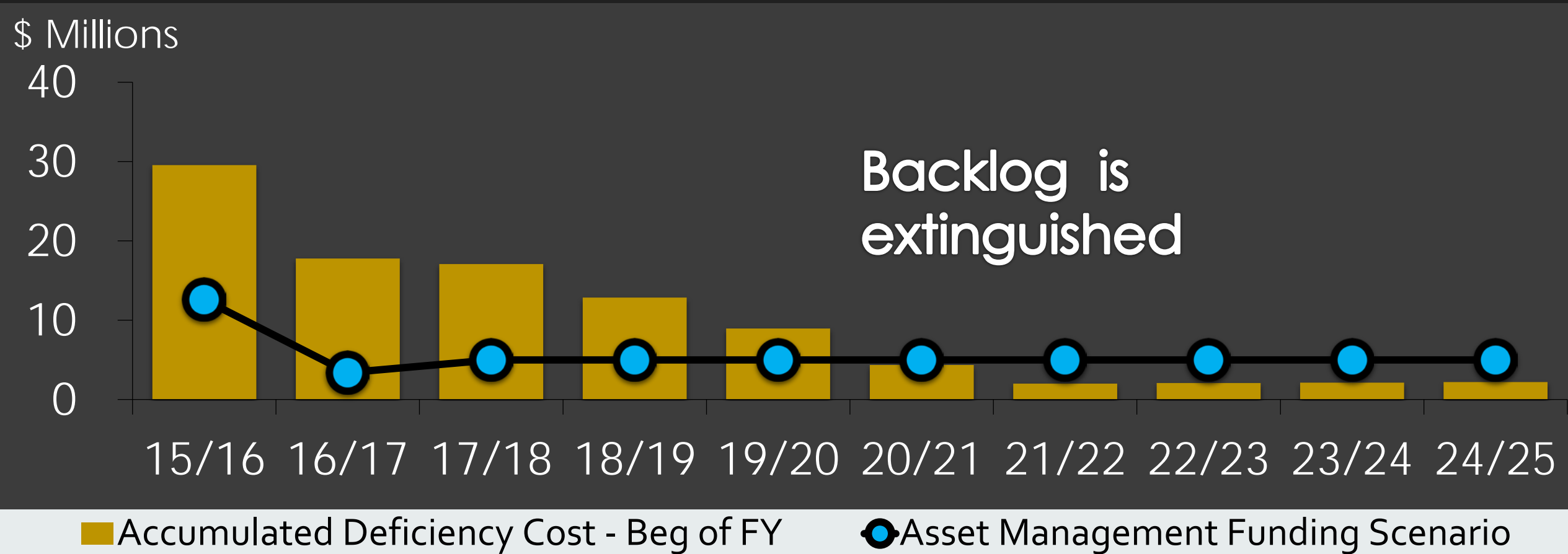
General Governmental CIP Funding

- ✓ Capital projects are approved by the City Council, based on need and projected funding
- ✓ City uses cash, grants and issues tax-exempt bonds to fund projects
- ✓ Debt is authorized by voters in bond elections
- ✓ Secondary tax levy is deposited into the Debt Service Fund and restricted to payment of debt issued for capital improvements

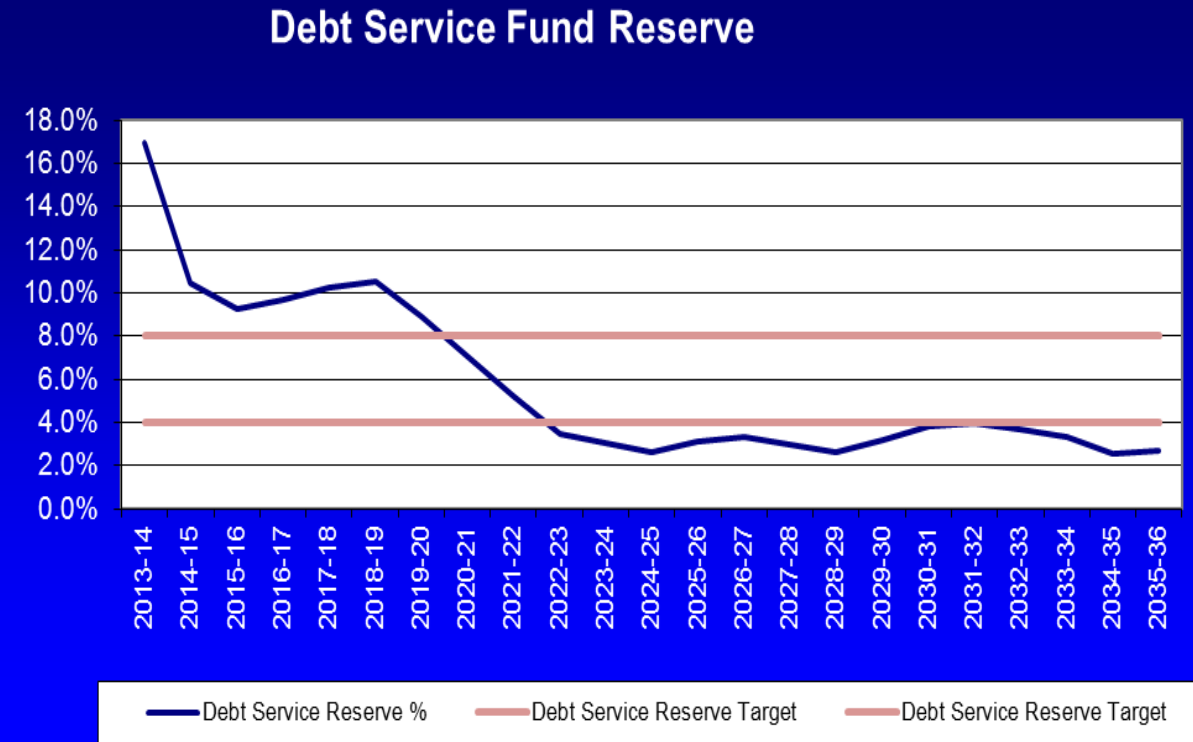
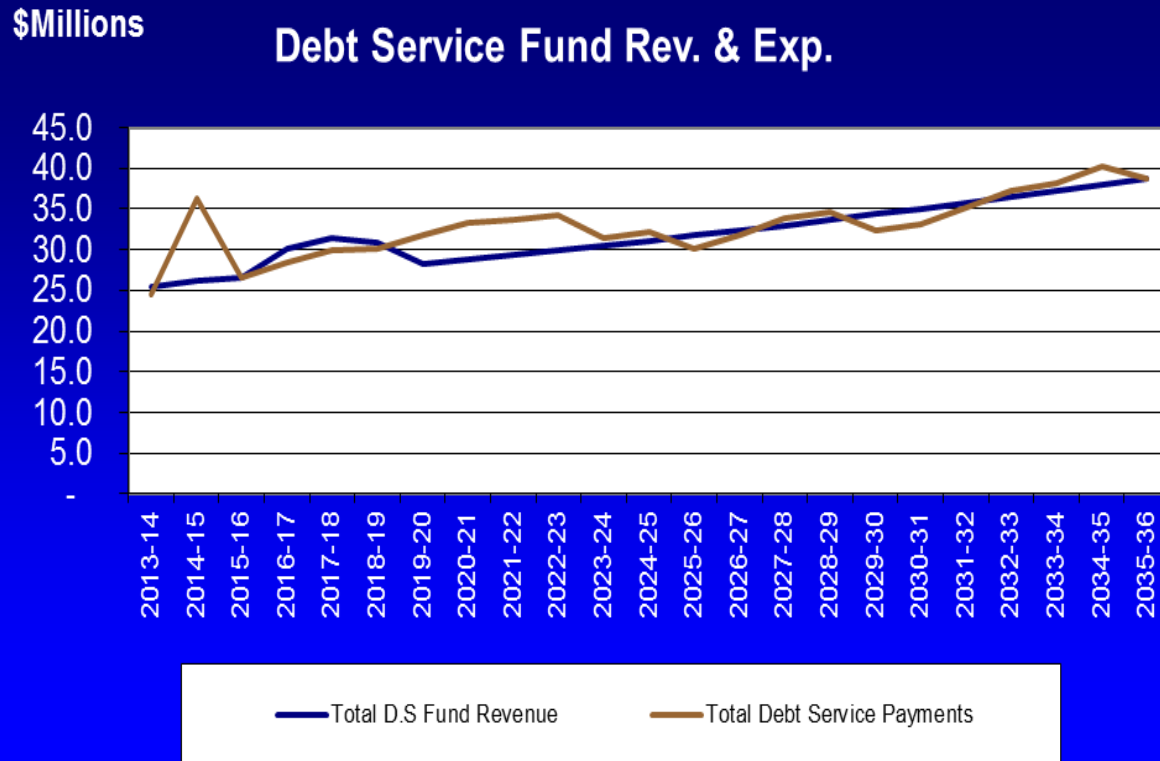
Prioritization of CIP Projects (FY 16-17)



Parks Deferred Capital Reinvestment Funding Scenario



Debt Management



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Secondary Levy (\$millions)	23.8	24.6	25.3	26.0	26.8	27.6	28.2	28.7	29.3	29.9	30.5	31.1	31.7	32.4	33.0	33.7	34.3	35.0	35.7	36.5	37.2	37.9	38.7
Total Property Tax Rate	\$2.49	\$2.44	\$2.52	\$2.52	\$2.52	\$2.50	\$2.47	\$2.44	\$2.42	\$2.39	\$2.36	\$2.33	\$2.30	\$2.28	\$2.25	\$2.23	\$2.20	\$2.18	\$2.15	\$2.13	\$2.11	\$2.08	\$2.06
New Debt (\$millions)	11.7	44.0	25.0	25.5	22.7	20.7	24.1	23.0	23.0	24.0	24.0	24.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0

Capital Budget Issues

Asset Management

- Asset life-cycle
- Asset condition
- Maintenance versus system expansion

Debt Management/ Cash Funding

- Available cash funding
- Bond authorization
- Debt limits
- Revenue to repay bonds

Questions



Comments

STAFF CONTACTS

Ken Jones, Deputy City Manager, CFO
Cecilia Robles, Municipal Budget Director

ken_jones@tempe.gov

480.350.8504

cecilia_robles@tempe.gov

480.350.8881

Resources

2017-18 budget plan information

www.tempe.gov/budgetplan

financial history & transparency

www.tempe.gov/openbooks

tempe forum online survey

www.tempe.gov/forum

www.tempe.gov